

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re :
LEHMAN BROTHERS HOLDINGS INC., *et al.*, : Chapter 11 Case No.
Debtors. : 08-13555 (JMP)
: (Jointly Administered)
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**SECOND INTERIM FEE APPLICATION OF MMOR CONSULTING
INC. FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AND FOR REIMBURSEMENT OF EXPENSES FOR TAX SERVICES PROVIDERS
TO THE DEBTORS AND DEBTORS-IN-POSSESSION FOR THE PERIOD FROM
OCTOBER 1, 2010 THROUGH JANUARY 31, 2011**

Name of Applicant: MMOR Consulting Inc.

Authorized to Provide Professional Services to: the above-captioned debtors and debtors-in-possession

Date of Retention: October 20, 2010, nunc pro tunc to June 1, 2010

Period for which compensation and reimbursement are sought: October 1, 2010 through January 31, 2011

Amount of compensation sought as actual, reasonable, and necessary: \$229,281.25

Amount of Expense Reimbursement sought as actual, reasonable, and necessary: \$2,694.96

This is a(n): ____ monthly X interim ____ final application

Prior Fee Application Filed:

First Interim Fee Application for the period July 1, 2010 through September 30, 2010 dated December 13, 2010 included the following:

- Amount of compensation sought as actual, reasonable, and necessary: \$146,025.00
- Amount of Expense Reimbursement sought as actual, reasonable, and necessary: \$11,719.00

**COMPENSATION BY PROFESSIONAL
OCTOBER 1, 2010 THROUGH JANUARY 31, 2011**

Last Name	First Name	Title	Total Hours Billed	Hourly Billing Rate	Total Compensation
Morgese	Michael	President	833.75	275	\$229,281.25
		Total	833.75		\$229,281.25

Compensation **\$229,281.25**

Total Hours **833.75**

Rate **\$275.00**

March 14, 2011

COMPENSATION BY PROJECT CATEGORY
OCTOBER 1, 2010 THROUGH JANUARY 31, 2011

Project Category	Total Hours	Total Fees
State & Local Tax Services	833.75	\$229,281.25
Total	833.75	\$229,281.25

EXPENSE SUMMARY
OCTOBER 1, 2010 THROUGH JANUARY 31, 2011

Expense Category	Service Provider (if applicable)	Total Expenses
Transportation	Parking – 101 Hudson Street., JC, NJ \$1,192.00	\$1,192.00
Transportation	Trips to Albany, NY \$310.00	\$310.00
Meals	Various \$1,192.96	\$1,192.96
Total		\$2,694.96

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**SECOND INTERIM FEE APPLICATION OF MMOR CONSULTING
INC. FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AND FOR REIMBURSEMENT OF EXPENSES FOR TAX SERVICES PROVIDERS
TO THE DEBTORS AND DEBTORS-IN-POSSESSION FOR THE PERIOD FROM
OCTOBER 1, 2010 THROUGH JANUARY 31, 2011**

Pursuant to sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code"), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals [Docket No. 1388] (the "Compensation Order"), MMOR Consulting Inc. (MMOR) hereby files this Second Interim Fee Application for the Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Counsel to the Debtors and Debtors-in-Possession for the Period from October 1, 2010 through January 31, 2011 (the "Application"). By this Application, MMOR seeks interim allowance pursuant to the Compensation Order with respect to the sums of \$229,281.25 as compensation and \$2,694.96 for reimbursement of actual and necessary expenses for the total of \$231,976.21 for the period October 1, 2010 through and including January 31, 2011 (the "Compensation Period"). In support of this Application, MMOR respectfully represents as follows:

Background

1. On September 15, 2008 (the "Petition Date"), the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.
2. On January 25, 2011, the Debtors filed the first amended joint chapter 11 plan and disclosure statement [Docket Nos. 14150 and 14151].
3. MMOR was previously performing tax advisory services on behalf of the Debtors as a professional utilized in the ordinary course of business ("Ordinary Course Professional" or "OPC"). MMOR was further retained as a Tax Services Provider by the Court Order dated October 20, 2010, nunc pro tunc to June 1, 2010. The Retention Order authorized MMOR to be compensated on an hourly basis and to be reimbursed for actual and necessary out of pocket expenses.
4. Prior to the Compensation Period, MMOR filed its first application for interim allowance of compensation for professional services rendered and reimbursement of actual and necessary expenses on December 14, 2010 [Docket No. 13467] for the amount of \$146,025 in fees and \$11,719 in accrued expenses. The application is currently pending approval.

Compensation Paid and Its Source

5. All services for which compensation is requested by MMOR were performed for or on behalf of the debtors.
6. MMOR has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters

covered by this Application. There is no agreement or understanding between MMOR and any other person for services rendered in these cases.

Fee Application

7. The daily time detail for MMOR professionals that provided services during the Compensation Period is attached hereto as Exhibit A. To the best of MMOR's knowledge, this application complies with the Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on June 20, 1991 and the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995, the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 adopted on January 30, 1996, and the Second Amended Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals [Docket No. 3102].

Actual and Necessary Expenses

8. MMOR incurred \$2,694.96 of reimbursable expenses during the Compensation period.

Summary of Services Rendered

7. MMOR Consulting Inc., by and through its professionals, has performed all necessary professional services which are described and narrated in detail hereafter.

Summary of Services by Project

8. The services rendered by MMOR during the Compensation Period include state and local tax audit representation including income, franchise, sales and use taxes. The professionals who rendered the services relating to each category are identified, along with the number of hours for each individual and the total compensation sought for each category, in Exhibit A attached hereto.

A. Tax Services

Fees \$229,281.25; Total Hours 833.75

This category includes all matters related to the representation of Debtors, during various state and local tax audits in the areas of income, franchise, sales, use, payroll, etc.

Valuation of Services

9. Professionals of MMOR have expended a total of 833.75 hours in connection with this matter during the Compensation Period, as follows:

Last Name	First Name	Title	Total Hours Billed	Hourly Billing Rate	Total Compensation
Morgese	Michael	President	833.75	275	\$229,281.25
		Total	833.75		\$229,281.25

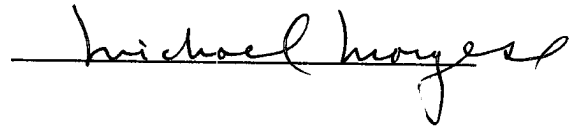
The daily detailed time records for the work performed by this person is fully set forth in Exhibit A attached hereto. The reasonable value of the services rendered by MMOR to the debtors during the Compensation Period is \$229,281.25.

10. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by MMOR is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

WHEREFORE, MMOR respectfully requests that the Court authorize that for the period October 1, 2010 through January 31, 2011, an interim allowance be made to MMOR pursuant to the terms of the Compensation Order, with respect to the sum of \$229,281.25 as compensation for necessary professional services rendered, and the sum of \$2,694.96 as reimbursement of actual necessary costs and expenses, for a total of \$231,976.21 and that any portion of such sums that remains unpaid be authorized for payment by the Debtors, and for such other and further relief as this Court may deem justified and proper.

Dated: March 14, 2011

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael Morgese", written over a horizontal line.

Michael Morgese
MMOR Consulting Inc.
750 Third Avenue-9th Floor
New York, NY 10017
Tel. (212) 768-2233

State & Local Tax Provider
For Debtors and Debtors-In-Possession

**UNITED STATES BANKRUPTCY COURT
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Debtors.	: (Jointly Administered)
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**CERTIFICATION UNDER GUIDELINES FOR FEES AND DISBURSEMENTS FOR
PROFESSIONALS IN RESPECT OF SECOND INTERIM FEE APPLICATION OF MMOR
CONSULTING INC. FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AND FOR REIMBURSEMENT OF EXPENSES FOR STATE AND LOCAL TAX SERVICES
PROVIDERS TO THE DEBTORS AND DEBTORS-IN-POSSESSION FOR THE PERIOD
OCTOBER 1, 2010 THROUGH JANUARY 31, 2011**

I, Michael Morgese, hereby certify that:

1. I am the President of MMOR Consulting Inc. (MMOR) which maintains an office at 750 Third Avenue-9th Floor, New York, New York. I have personal knowledge of the facts set forth herein.
2. I submit this Certification in support of the second interim fee application dated March 14, 2011 (the "Application") of MMOR, seeking entry of an order, pursuant to sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code") and rule 2016 of the Federal Rule of Bankruptcy Procedure (the "Bankruptcy Rules") granting interim allowance of compensation for services rendered and expenses incurred as state and local tax services providers to the above-captioned debtors and debtors-in-possession (the "Debtors") during the period from October 1, 2010 through and including January 31, 2011 (the "Interim Period"), and directing payment of fees and expenses that were not paid or which were previously subject to a holdback.

3. I have read the Application and, to the best of my knowledge, information and belief, formed after reasonable inquiry (a) I have read the Application, (b) to the best of my knowledge, information and belief after reasonable inquiry, the Application complies with the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. section 330 (the "Guidelines"), (c) to the best of my knowledge, information and belief and reasonable inquiry, the fees and expenses sought fall within the Guidelines, except as noted otherwise, (d) except to the extent that fees or disbursements are prohibited by the Guideline, the fees and disbursements sought are billed at rates and in accordance with practices customarily employed MMOR and generally accepted by MMOR's clients, (e) in seeking reimbursement of expenses, MMOR does not make a profit on that expenditure, whether it is performed by MMOR in-house or through a third party, (f) MMOR has provided the US Trustee, the Debtors, the Creditors' Committee and the fee committee with Monthly Fee Statements for such fees.
4. There is no agreement or understanding between MMOR and any other person, for sharing of compensation to be received for services rendered or to be rendered in the Chapter 11 Cases.

WHEREFORE, I declare that the above is true and correct to the best of my knowledge.

Dated: March 14, 2011

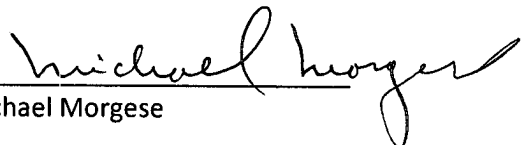

Michael Morgese

Exhibit A

MMOR Consulting, Inc. 750 Third Avenue -- 9th Floor New York, NY 10017					
State & Local Tax Audits					
Professional Services					
<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/1/2010	MM	Meeting with California auditors regarding 2003-2007	3.80	275	\$1,045.00
10/1/2010	MM	Review IRS audit changes for NYS purposes 1992-1994	4.20	275	\$1,155.00
10/4/2010	MM	Review NYS requirements for combined reporting regarding Lehman Aircraft Securitization	3.20	275	\$880.00
10/4/2010	MM	Review NYC requirements for combined reporting regarding Lehman Aircraft Securitization	2.70	275	\$742.50
10/4/2010	MM	Review information requested by Minnesota conferee	3.10	275	\$852.50
10/5/2010	MM	Review Lehman Brothers Finance, SA NYS/NYC returns for interest paid to LBHI 1992-2008	4.40	275	\$1,210.00
10/5/2010	MM	Review NJ sales tax incentives to LBHI and related audit request by the state	3.20	275	\$880.00
10/5/2010	MM	Review documentation relating to Minnesota protest 2004-2005	1.40	275	\$385.00
10/6/2010	MM	Review documentation relating to Minnesota protest 2006	2.10	275	\$577.50
10/6/2010	MM	Review information relating to NYC audit of LBAIM LLC for 2004-2006	3.60	275	\$990.00
10/6/2010	MM	Meeting with client to discuss NYS settlement for 1992-2008	2.30	275	\$632.50

MMOR Consulting, Inc. 750 Third Avenue – 9th Floor New York, NY 10017					
10/7/2010	MM	Review documentation and meeting with NYS sales tax auditors regarding Neuberger Berman LLC	5.30	275	\$1,457.50
10/7/2010	MM	Meeting with client to discuss NYS settlement proposal	3.70	275	\$1,017.50
10/8/2010	MM	Review documentation regarding receipts factor for California 2003	2.60	275	\$715.00
10/8/2010	MM	Review documentation regarding receipts factor for California 2004	2.40	275	\$660.00
10/11/2010	MM	Meeting, review of documentation with PriceWaterhouse Coopers re:NYS 1992-1995	3.10	275	\$852.50
10/11/2010	MM	Meeting, review of documentation with PriceWaterhouse Coopers re:NYS 1996-1999	3.30	275	\$907.50
10/11/2010	MM	Meeting, review of documentation with PriceWaterhouse Coopers re:NYS 2000-2004	2.85	275	\$783.75
10/12/2010	MM	Meeting, review of documentation with PriceWaterhouse Coopers re:NYS 2005-2008	5.10	275	\$1,402.50
10/12/2010	MM	Review documentation for California audit 2003-2007	4.65	275	\$1,278.75
10/13/2010	MM	Research NOL issue in Maryland, New York, Virginia	4.90	275	\$1,347.50
10/13/2010	MM	Meeting, review documentation with PriceWaterhouse Coopers-NYS settlement	4.10	275	\$1,127.50
10/14/2010	MM	Review audit W/P regarding NYS 1992-2008	3.10	275	\$852.50
10/14/2010	MM	Review treatment of dividend income for California purposes 2003-2007	1.60	275	\$440.00

MMOR Consulting, Inc. 750 Third Avenue – 9th Floor New York, NY 10017					
10/14/2010	MM	Review documentation regarding taxes on income for Minnesota 2004-2006	2.20	275	\$605.00
10/14/2010	MM	Develop statement attached to state combined returns for 2009	2.10	275	\$577.50
10/15/2010	MM	Develop statement attached to state combined returns for 2009	2.30	275	\$632.50
10/15/2010	MM	Response to Minnesota conferee for 2004-2006	3.60	275	\$990.00
10/15/2010	MM	Review documentation with PriceWaterhouse Coopers for NYS 1992-2008	3.10	275	\$852.50
10/18/2010	MM	Meeting with California auditor and provide documentation for 2003-2007	4.30	275	\$1,182.50
10/18/2010	MM	Review documentation in preparation for meeting with NYS commissioner of Taxation	4.70	275	\$1,292.50
10/19/2010	MM	Meeting with California auditors 2003-2007	4.90	275	\$1,347.50
10/19/2010	MM	Review documentation in preparation for meeting with NYS commissioner of Taxation	4.10	275	\$1,127.50
10/20/2010	MM	Meeting with California auditors 2003-2004	4.15	275	\$1,141.25
10/20/2010	MM	Meeting with California auditors 2005-2007	4.10	275	\$1,127.50
10/21/2010	MM	Meeting with California auditor to overview gross-up method for receipts factor	4.60	275	\$1,265.00
10/21/2010	MM	Meeting with California auditors regarding foreign source income	4.15	275	\$1,141.25
10/22/2010	MM	Meeting in Albany with Commissioner of Taxation And Finance 1992-2008	8.20	275	\$2,255.00

MMOR Consulting, Inc. 750 Third Avenue – 9th Floor New York, NY 10017					
10/22/2010	MM	Meeting with client to discuss settlement proposal	2.30	275	\$632.50
10/24/2010	MM	Letter, documentation, etc. to Minnesota 2004-2006	4.40	275	\$1,210.00
10/24/2010	MM	Review Massachusetts requirements for combination for LBHI and subsidiaries	3.10	275	\$852.50
10/25/2010	MM	Meetings with client regarding NYS proposal for 1992-2008	5.10	275	\$1,402.50
10/25/2010	MM	Meetings with NYS auditor regarding Neuberger Berman LLC sales tax audit	4.40	275	\$1,210.00
10/26/2010	MM	Obtain and review additional documentation for Minnesota protest	4.40	275	\$1,210.00
10/26/2010	MM	Letter to Minnesota protesting 2004-2006	4.10	275	\$1,127.50
10/27/2010	MM	Letter to Minnesota protesting 2004-2006	4.10	275	\$1,127.50
10/27/2010	MM	Obtain and review information regarding LBI's receipts factor for NYS 2000-2008	5.15	275	\$1,416.25
10/28/2010	MM	Letter, documentation, etc. to Minnesota 2004-2006	4.60	275	\$1,265.00
10/28/2010	MM	Meeting with client regarding NYS proposal for 1992-2008	4.15	275	\$1,141.25
10/29/2010	MM	Meeting with client regarding NYS proposal for 1992-2008	1.80	275	\$495.00
10/29/2010	MM	Review California NOL requirements	2.30	275	\$632.50
10/29/2010	MM	Review California requirements of cost of performance for receipts factor	3.65	275	\$1,003.75
10/31/2010	MM	Review NJ law regarding interest to shareholder	3.10	275	\$852.50

MMOR Consulting, Inc. 750 Third Avenue – 9th Floor New York, NY 10017					
10/31/2010	MM	Review NJ enterprise zone requirements for sales tax purposes	3.15	275	\$866.25
		Total Service Amount			<u>\$54,175.00</u>
	Reimbursable Expenses				
10/1/2010	Parking 101 Hudson Street Jersey City, NJ				\$298.00
10/8/2010	Lunch with client				\$86.00
10/19/2010	Lunch with California auditors				\$94.00
10/22/2010	Lunch with representative of PWCPriceWaterhouse Coopers: John Verde				\$75.00
10/22/2010	Transportation to Albany: 300 miles x .50				\$150.00
		Total Expenses			<u>\$703.00</u>
		Amount Due This Invoice			<u>\$54,878.00</u>

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
State & Local Tax Audits					
Professional Services					
<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
11/1/2010	MM	Meeting with Pricewaterhouse Coopers (PWC) regarding NYS assessment 1992-2007.	2.80	275	\$770.00
11/1/2010	MM	Response to Minnesota conferee for 2003-2007.	3.70	275	\$1,017.50
11/1/2010	MM	Provide documentation regarding NYS Sales Tax refund 2004-2008.	2.70	275	\$742.50
11/2/2010	MM	Provide documentation to PWC regarding NYS assessment 1992- 2008.	4.30	275	\$1,182.50
11/2/2010	MM	Review forms 5471 for 2005-2007 regarding California audit.	2.20	275	\$605.00
11/2/2010	MM	Response to Minnesota conferee for 2003-2007.	1.20	275	\$330.00
11/2/2010	MM	Review invoices for NYS sales tax refund 2004-2008.	2.60	275	\$715.00
11/3/2010	MM	Meeting with PWC for NYS 1992- 2007.	4.30	275	\$1,182.50
11/3/2010	MM	Research receipts factor issue for NYS-NYC.	3.70	275	\$1,017.50
11/3/2010	MM	Review Michigan claim against PAMI.	1.40	275	\$385.00
11/4/2010	MM	Meeting with PWC regarding NYC assessment 1996-2008.	4.70	275	\$1,292.50
11/4/2010	MM	Review Commercial Rent Tax claim against LBHI.	3.40	275	\$935.00
11/4/2010	MM	Review documentation to NYC regarding Lehman Brothers Alternative Investment LLC.	2.30	275	\$632.50
11/5/2010	MM	Meeting with Lawfirm Sutherland Asbill & Brennan LLP regarding NYS assessment 1992-2007.	3.40	275	\$935.00
11/5/2010	MM	Provide additional documentation regarding NYS assessment 1992- 1999.	4.10	275	\$1,127.50
11/5/2010	MM	Provide additional documentation regarding NYS for 2000-2007.	2.30	275	\$632.50
11/6/2010	MM	Provide additional documentation regarding California audit 2005- 2007.	3.50	275	\$962.50

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
11/6/2010	MM	Research NYS sales tax law regarding exemptions of promotional materials.	3.70	275	\$1,017.50
11/8/2010	MM	Review interest expense of LCPI Properties for 2000-2007 for NYS.	3.80	275	\$1,045.00
11/8/2010	MM	Research treatment of interest from Second Tier Subsidiaries for NYS/NYC purposes.	4.20	275	\$1,155.00
11/8/2010	MM	Review intercompany transactions for NYS 1996-2000.	3.60	275	\$990.00
11/9/2010	MM	Review intercompany transactions for NYS 2001-2007.	2.70	275	\$742.50
11/9/2010	MM	Review separate company NYS/NYC refunds of LB-UK Holdings regarding income from Subsidiaries.	3.40	275	\$935.00
11/10/2010	MM	Review interest paid to LBHI by Lehman Brothers Finance SA.	2.80	275	\$770.00
11/10/2010	MM	Review interest paid to LBHI by LB Luxemburg SA.	2.70	275	\$742.50
11/10/2010	MM	Research various NYS sales tax issues related to refund request.	3.60	275	\$990.00
11/11/2010	MM	Research various NYS sales tax issues related to refund request.	2.30	275	\$632.50
11/11/2010	MM	Review IRS audit charges to be reported to NYS for 1992-1994.	2.70	275	\$742.50
11/11/2010	MM	Obtain and review documentation of interest paid to shareholder for NYS/City LB-UK Holdings.	2.40	275	\$660.00
11/11/2010	MM	Review intercompany interest paid to LCPI for NYS purpose.	2.70	275	\$742.50
11/12/2010	MM	Review interest paid to LCPI Properties by LW-LP Inc.	2.70	275	\$742.50
11/12/2010	MM	Review interest paid to LBHI by LB-Asia Holdings Inc.	2.40	275	\$660.00
11/12/2010	MM	Review interest paid to Lehman Commercial Paper Inc. by LCPI Properties Inc.	3.10	275	\$852.50
11/13/2010	MM	Obtain and review documentation supporting intercompany interest 1996-2007.	3.30	275	\$907.50
11/13/2010	MM	Review impact of federal RAR's to NYS for 1992-1994.	3.40	275	\$935.00
11/13/2010	MM	Review of impact of federal RAR's to NYC for 1992-1994.	3.10	275	\$852.50

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
11/15/2010	MM	Meeting to provide documentation to California audit team 2005.	4.20	275	\$1,155.00
11/15/2010	MM	Obtain and review income from foreign subsidiaries for California audit 2006.	3.50	275	\$962.50
11/15/2010	MM	Meeting regarding NYS refund of sales taxes 2004-2008.	2.70	275	\$742.50
11/16/2010	MM	Meeting to provide documentation to California audit team 2006.	4.10	275	\$1,127.50
11/16/2010	MM	Research California receipts factor apportionment method for 2005-2007.	3.30	275	\$907.50
11/16/2010	MM	Research NYS combined return requirements for 2009.	2.40	275	\$660.00
11/17/2010	MM	Meeting to provide documentation supporting Federal Form 5471 for California 2006 return.	3.70	275	\$1,017.50
11/17/2010	MM	Research NYC combined return requirements for 2009.	2.10	275	\$577.50
11/17/2010	MM	Review reporting of federal changes to NYS for 1992-1995.	4.10	275	\$1,127.50
11/18/2010	MM	Meeting to provide additional documentation supporting Federal Form 5471 for California 2007 return.	4.30	275	\$1,182.50
11/18/2010	MM	Meeting with client to discuss NYS settlement proposal 1992-2008.	3.20	275	\$880.00
11/18/2010	MM	Review information regarding New York State payroll audit of Neuberger Berman LLC.	2.10	275	\$577.50
11/19/2010	MM	Meeting with California auditor and review additional documentation.	4.20	275	\$1,155.00
11/19/2010	MM	Review documentation regarding federal changes for 1992-1995.	2.60	275	\$715.00
11/19/2010	MM	Meeting with client personnel to discuss NYS refund of sales taxes.	2.10	275	\$577.50
11/20/2010	MM	Review federal RAR's for 1992-1995 and the impact on NYS.	3.20	275	\$880.00
11/20/2010	MM	Review federal RAR's for 1992-1995 and the impact on NYC.	3.10	275	\$852.50
11/22/2010	MM	Meeting with PWC regarding claim for NYS for 1992-2007.	4.30	275	\$1,182.50

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
11/22/2010	MM	Meetings with PWC regarding claim for NYC 1996-2007.	4.10	275	\$1,127.50
11/22/2010	MM	Review documentation regarding stock loans for NYS/NYC claims.	3.80	275	\$1,045.00
11/23/2010	MM	Review information for NYS sales tax refund 2004-2008.	2.20	275	\$605.00
11/23/2010	MM	Obtain documentation for Pennsylvania audit of Lehman Ali.	2.70	275	\$742.50
11/23/2010	MM	Review PWC's study for minimizing NYS claim.	2.40	275	\$660.00
11/23/2010	MM	Review reverse repurchase agreements for NYS for 2006.	2.10	275	\$577.50
11/24/2010	MM	Review reverse repurchase agreement for NYS for 2007.	2.20	275	\$605.00
11/24/2010	MM	Meeting with NYS audit team regarding federal changes for 1992.	2.70	275	\$742.50
11/24/2010	MM	Meeting with NYS audit team regarding federal changes for 1993.	2.50	275	\$687.50
11/24/2010	MM	Meeting with NYS audit team regarding federal changes for 1994.	2.40	275	\$660.00
11/26/2010	MM	Provide documentation to PWC regarding NYS 1992-2007	2.40	275	\$660.00
11/26/2010	MM	Provide documentation regarding Pennsylvania audit for Lehman Ali.	2.70	275	\$742.50
11/26/2010	MM	Review federal audit changes for 2000-2007 state impact.	4.10	275	\$1,127.50
11/26/2010	MM	Review information regarding NYS payroll audit for 2007-2008.	2.10	275	\$577.50
11/27/2010	MM	Review protest of Massachusetts assessment to PAMI.	2.70	275	\$742.50
11/27/2010	MM	Provide documentation to Law Firm (Sutherland) regarding NYS 2006.	2.80	275	\$770.00
11/27/2010	MM	Provide documentation to Law Firm (Sutherland) regarding NYS 2007.	2.30	275	\$632.50
11/28/2010	MM	Rewrite protest to Massachusetts regarding PAMI 2007.	2.20	275	\$605.00
11/28/2010	MM	Determine impact of disallowance of 75% of investment income NYS.	3.30	275	\$907.50
11/28/2010	MM	Determine impact of disallowance of 75% of investment income NYC.	3.10	275	\$852.50

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
11/29/2010	MM	Review treatment of Repurchase Agreement by LBI.	2.40	275	\$660.00
11/29/2010	MM	Review treatment of stock Loan by LBI.	3.20	275	\$880.00
11/29/2010	MM	Review treatment of Repurchase Agreements by LBHI.	3.30	275	\$907.50
11/29/2010	MM	Review protest to Massachusetts for PAMI.	1.70	275	\$467.50
11/30/2010	MM	Determine impact of reduction to apportionment factor for NYS 1996-2000.	2.40	275	\$660.00
11/30/2010	MM	Determine impact of reduction to apportionment factor for NYS 2001-2007.	2.70	275	\$742.50
11/30/2010	MM	Determine impact of reduction to apportionment factor for NYC 1996-2007.	4.30	275	\$1,182.50
			Total Amount		\$67,430.00
<u>Reimbursable Expenses</u>					
11/1/2010	Parking 101 Hudson Street Jersey City, NJ				\$298.00
11/28/2010	Lunch with client personnel-Linda Klang, Sumit Mitra				\$88.83
11/22/2010	Lunch with California Auditors				\$119.08
			Total Expenses		\$505.91
			Amount Due This Invoice		\$67,935.91

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
State & Local Tax Audits					
Professional Services					
<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
12/1/2010	MM	Review Pennsylvania assessment of Lehman Ali Inc. 2004.	2.20	275	\$605.00
12/1/2010	MM	Further review of Massachusetts assessment of PAMI for 2007.	2.10	275	\$577.50
12/1/2010	MM	Review information on apportionment factors for partial reduction for NYS 2003-2007.	1.80	275	\$495.00
12/1/2010	MM	Review combined returns requirement for NYS/NYC.	2.20	275	\$605.00
12/2/2010	MM	Determine if Lehman Aircraft Securitization Holdings Inc. is Combinable with LBHI.	2.70	275	\$742.50
12/2/2010	MM	Discussions with NYS officials regarding Lehman Brothers Trust Co. 2007 return.	2.40	275	\$660.00
12/2/2010	MM	Review documentation regarding NYS payroll audit of Lehman Brothers Asset Management 2005-2008.	2.10	275	\$577.50
12/2/2010	MM	Review documentation regarding NYS payroll audit of Neuberger Berman LLC.	2.30	275	\$632.50
12/3/2010	MM	Obtain and review stock loans and stock borrowed for LCPI.	3.30	275	\$907.50
12/3/2010	MM	Obtain and review repurchase agreements for LBHI and LBI.	2.20	275	\$605.00
12/3/2010	MM	Meeting with California audit team for 2005-2007.	3.10	275	\$852.50
12/5/2010	MM	Review revised NYS notice of deficiency for 1992-1995.	2.70	275	\$742.50
12/5/2010	MM	Review revised NYS notice of deficiency for 1996-1999.	2.20	275	\$605.00
12/5/2010	MM	Review revised NYS notice of deficiency for 2000-2004.	2.10	275	\$577.50
12/5/2010	MM	Review revised NYS notice of deficiency for 2005-2007.	2.40	275	\$660.00
12/6/2010	MM	Review Michigan Single Business Tax assessment for 2009 against BNC Mortgage Inc and Senior Officer and attempt to resolve.	2.20	275	\$605.00
12/6/2010	MM	Attempt to eliminate a tax warrant against Lehman Brothers Trust Company for NYS.	2.10	275	\$577.50
12/6/2010	MM	Meeting with client, PWC and Sutherland regarding revised notice of deficiency by NYS.	3.70	275	\$1,017.50

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
12/7/2010	MM	Meeting with California auditors to review requested information on foreign income 2005-2007.	3.20	275	\$880.00
12/7/2010	MM	Meeting with client personnel regarding settlement proposal for NYS.	2.70	275	\$742.50
12/7/2010	MM	Review information regarding NYC audit of LBAIM.	2.40	275	\$660.00
12/8/2010	MM	Review, discussions, etc. regarding proposal for settlement of NYS claim 1992-2007.	4.20	275	\$1,155.00
12/8/2010	MM	Review, discussions etc. regarding proposal for settlement NYC 1996-2007.	3.70	275	\$1,017.50
12/8/2010	MM	Discussions regarding other dividends for 2005 for California proposal.	1.20	275	\$330.00
12/9/2010	MM	Meeting with California auditors to discuss dividend exclusions for 2005-2007.	2.90	275	\$797.50
12/9/2010	MM	Discussions regarding NYS sales tax refunds.	2.10	275	\$577.50
12/9/2010	MM	Review information and call to Michigan regarding BNC Mortgages audit for 2007.	3.60	275	\$990.00
12/10/2010	MM	Meeting with California auditors regarding 2005-2007.	3.20	275	\$880.00
12/10/2010	MM	Research treatment of foreign dividends for California proposal.	2.30	275	\$632.50
12/10/2010	MM	Meeting with client to discuss NYS settlement proposal for 1992-2007.	2.90	275	\$797.50
12/11/2010	MM	Determine potential offset of interest expense on NYS assessment for 1992-2007 due to overpayments.	4.30	275	\$1,182.50
12/11/2010	MM	Determine potential offset of interest expense on NYC assessment for 1996-2007 due to overpayments.	4.10	275	\$1,127.50
12/12/2010	MM	Research NYS penalty provisions.	2.20	275	\$605.00
12/12/2010	MM	Research NYC penalty provisions.	2.10	275	\$577.50
12/12/2010	MM	Determine impact of indirect attribution of expenses to income from Stock Loom for NYS 2006.	3.50	275	\$962.50
12/13/2010	MM	Obtain additional information for California 2005-2007.	4.20	275	\$1,155.00
12/13/2010	MM	Review alternatives for settling NYS audit for 1992-2007 with PWC.	3.70	275	\$1,017.50
12/13/2010	MM	Meeting with client and attorneys regarding settlement proposals for NYS.	2.40	275	\$660.00

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
12/14/2010	MM	Review audit assessment and information regarding Texas audit of Finance America LLC for 2003-2006.	4.30	275	\$1,182.50
12/14/2010	MM	Review documentation regarding Pennsylvania audit of Lehman Ali for 2004.	2.10	275	\$577.50
12/14/2010	MM	Obtain and review documentation relating to NYS settlement proposal for 1992-2007.	3.20	275	\$880.00
12/15/2010	MM	Meeting with client to review 2009 NYS/NYC returns.	3.10	275	\$852.50
12/15/2010	MM	Review documentation regarding Lehman Brothers Trust Co. NYS return for 2007 and letter regarding assessment.	2.70	275	\$742.50
12/15/2010	MM	Meeting with client to discuss upcoming meeting with NYS Commissioner for 1992-2007.	3.30	275	\$907.50
12/16/2010	MM	Trip to Albany to meet NYS Commissioner for 1992-2007.	7.20	275	\$1,980.00
12/17/2010	MM	Meeting with client and attorneys to discuss settlement proposal with NYS.	3.70	275	\$1,017.50
12/17/2010	MM	Determine impact of expenses attributable to subsidiaries for NYS.	2.40	275	\$660.00
12/17/2010	MM	Obtain and review documentation for Pennsylvania audit of PAMI.	2.10	275	\$577.50
12/20/2010	MM	Review NYS warrant to Lehman Brothers Trust regarding 2007.	2.30	275	\$632.50
12/20/2010	MM	Obtain and review information regarding California IDR # 15 and 16 for 2005-2006-2007.	3.70	275	\$1,017.50
12/20/2010	MM	Meeting with client to discuss alternative settlement proposal for NYS.	2.90	275	\$797.50
12/21/2010	MM	Review additional documentation regarding Massachusetts audit 2006-2008.	3.70	275	\$1,017.50
12/21/2010	MM	Obtain and review documentation regarding New Jersey sales/use tax audit.	3.40	275	\$935.00
12/21/2010	MM	Review information regarding Wilmington, Delaware audit for 2000-2008.	4.70	275	\$1,292.50
12/22/2010	MM	Meeting with client to discuss NYS settlement proposal 1992-2007.	3.90	275	\$1,072.50
12/22/2010	MM	Obtain and review documentation regarding Colorado audit of Aurora Loan Services.	2.80	275	\$770.00
12/22/2010	MM	Review information regarding California IDR # 15 and 16 for 2005-	2.30	275	\$632.50

MMOR Consulting, Inc. 750 Third Ave - 9th Fl. New York, NY 10017					
12/23/2010	MM	Review information regarding Arizona income tax audit for LBHI for 1998-2006.	3.20	275	\$880.00
12/23/2010	MM	Review information and refund to Massachusetts regarding PAMI for 2007.	2.10	275	\$577.50
12/23/2010	MM	Follow up with NYC regarding LB Alternative Investment Mgt. LLC for 2004-2006.	2.30	275	\$632.50
12/23/2010	MM	Follow up with attorney regarding Lehman Ali Inc. Pennsylvania protest for 2004.	1.20	275	\$330.00
12/27/2010	MM	Review additional documentation and settlement proposal regarding NYS assessment 1992-2007.	4.30	275	\$1,182.50
12/27/2010	MM	Evaluate potential impact of changes in apportionment formula to reduce NYS assessment 1992-2007.	3.50	275	\$962.50
12/28/2010	MM	Evaluate impact of changes to apportionment formula to reduce NYC assessment 1996-2007.	3.30	275	\$907.50
12/28/2010	MM	Review documentation regarding California audit 2005-2007.	3.80	275	\$1,045.00
12/29/2010	MM	Review Texas assessment of LBHI for 2007.	2.30	275	\$632.50
12/29/2010	MM	Review documentation regarding Minnesota assessment of LBHI 2004-2006.	3.20	275	\$880.00
			Total Amount		\$54,367.50
Reimbursable Expenses					
12/1/2010	Parking 101 Hudson Street Jersey City, NJ				\$298.00
12/2/2010	Lunch with client personnel-Linda Klang and Donna				\$111.80
12/3/2010	Lunch with California auditors				\$109.13
12/16/2010	Trip to Albany - 300 miles x \$.50 per mile = \$150				\$160.00
	Toll - \$10				
12/16/2010	Lunch with John Verde (PWC)				\$45.00
			Total Expenses		\$723.93
Amount Due This Invoice					\$55,091.43

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
State & Local Tax Audits					
Professional Services					
<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
1/3/2011	MM	Discussions with John Verde of PWC and NYS officials regarding proposed settlement.	1.30	275	\$357.50
1/3/2011	MM	Discussions with client regarding Philadelphia assessment of Neuberger Berman.	1.10	275	\$302.50
1/3/2011	MM	Review information in response to California IDR 15 and 16 for 2005/2007.	2.80	275	\$770.00
1/3/2011	MM	Review information regarding NYS sales tax audit of Neuberger Berman LLC 2006-2010.	3.40	275	\$935.00
1/4/2010	MM	Review information regarding Philadelphia assessment. Discuss findings with client and calls to City auditors.	2.10	275	\$577.50
1/4/2011	MM	Review California adjustments attributable to foreign source income for 2005/2007.	4.20	275	\$1,155.00
1/4/2011	MM	Review Minnesota settlement proposal for 2004/2006.	1.80	275	\$495.00
1/5/2011	MM	Obtain and review additional information regarding dividend income received by foreign affiliates for 2005/2007 for Calif.	2.70	275	\$742.50
1/5/2011	MM	Determine impact of utilizing Schedule H instead of Schedule C of Federal Form 5471 for Calif. purposes.	3.70	275	\$1,017.50
1/5/2011	MM	Letter to NYS regarding penalty/warrant for 2008.	2.10	275	\$577.50
1/6/2011	MM	Review information regarding dividends received by foreign affiliates for Calif. audit of 2005-2007.	2.90	275	\$797.50
1/6/2011	MM	Review Calif. assessment and related information regarding Controlled Foreign Corporation Income for 2005-2007.	2.80	275	\$770.00
1/6/2011	MM	Obtain information relating to NYS sales tax audit of Neuberger Berman LLC for 2006-2010.	3.10	275	\$852.50
1/7/2010	MM	Meeting with NYS sales tax auditors regarding Neuberger Berman LLC.	3.70	275	\$1,017.50

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
1/7/2011	MM	Review information regarding dividends received by foreign affiliates for Calif. audit of 2005-2007.	3.20	275	\$880.00
1/7/2011	MM	Review taxes based on income of foreign affiliates for Calif. Audit 2005-2007.	1.30	275	\$357.50
1/8/2011	MM	Review information to be submitted to Calif. auditors regarding foreign affiliates for 2005.	2.30	275	\$632.50
1/8/2011	MM	Review information to be submitted to Calif. auditors regarding foreign affiliates for 2006.	2.10	275	\$577.50
1/8/2011	MM	Review information to be submitted to Calif. auditors regarding foreign affiliates for 2007.	2.10	275	\$577.50
1/10/2011	MM	Review Lehman Ali's Pa. protest for 2004.	1.70	275	\$467.50
1/10/2011	MM	Meeting with Calif. auditors regarding IDR 15 and IDR 16 for 2005-2007.	4.10	275	\$1,127.50
1/10/2011	MM	Review information regarding NYS sales tax audit of Neuberger Berman LLC.	2.70	275	\$742.50
1/11/2011	MM	Review additional information regarding dividend income received by foreign affiliates for 2005 for Calif.	2.40	275	\$660.00
1/11/2011	MM	Review additional information regarding dividend income received by foreign affiliates for 2006 for Calif.	2.10	275	\$577.50
1/11/2011	MM	Review additional information regarding dividend income received by foreign affiliates for 2007 for Calif.	2.70	275	\$742.50
1/11/2011	MM	Provide additional information to NYS auditor regarding Neuberger Berman LLC.	1.30	275	\$357.50
1/12/2011	MM	Review information regarding dividends paid and received by foreign affiliates for Calif. audit of 2005-2007.	2.90	275	\$797.50
1/12/2011	MM	Discussions regarding Pa audit of LBHI and the company's activities in the state.	2.10	275	\$577.50
1/12/2011	MM	Review information regarding Texas audit of Finance America LLC 2003-2006.	2.30	275	\$632.50

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
1/13/2011	MM	Meeting with Calif. auditors regarding IDR 15 and IDR 16 for 2005-2007.	3.10	275	\$852.50
1/13/2011	MM	Review information regarding Ohio audit of LBHI.	2.30	275	\$632.50
1/13/2011	MM	Discuss with client NYS settlement proposal for 1992-2007.	2.90	275	\$797.50
1/14/2011	MM	Obtain and review information regarding apportionment factors for Calif. audit for 2005.	2.40	275	\$660.00
1/14/2011	MM	Obtain and review information regarding apportionment factors for Calif. audit for 2006.	2.10	275	\$577.50
1/14/2011	MM	Meeting with California auditors to discuss apportionment factors of the major entities within the unitary returns.	3.80	275	\$1,045.00
1/15/2011	MM	Review additional documentation regarding Mass. audit of Pami for 2007.	3.60	275	\$990.00
1/15/2011	MM	Review additional documentation regarding Minn. protest for 2004-2006.	3.90	275	\$1,072.50
1/18/2011	MM	Review alternative approaches for minimizing NYS assessment for 1992-1999.	4.10	275	\$1,127.50
1/18/2011	MM	Review alternative approaches for minimizing NYS assessment for 2000-2007.	3.20	275	\$880.00
1/18/2011	MM	Review Mass. protest regarding PAMI for 2007.	1.50	275	\$412.50
1/19/2011	MM	Discussions with client and Deloitte Touche regarding prior years filing positions in order to reduce tax assessments in NYS, NYC and Calif.	3.80	275	\$1,045.00
1/19/2011	MM	Letter to NYS regarding Neuberger Berman LLC prior years sales tax returns.	2.90	275	\$797.50
1/19/2011	MM	Discussions with Mass. Hearing officer regarding PAMI's for 2007.	1.20	275	\$330.00
1/19/2011	MM	Discussions with client and John Verde of PWC regarding NYS assessment for 1992-2007.	2.20	275	\$605.00
1/20/2011	MM	Review information regarding NYS sales tax audit of Neuberger Berman LLC 2006-2010.	1.70	275	\$467.50
1/20/2011	MM	Review outline regarding current NYS proposal efforts for 1992-2007.	1.80	275	\$495.00

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
1/20/2011	MM	Meeting, preparation, etc with client and Deloitte Touch representatives to discuss Calif. and other state issues.	3.10	275	\$852.50
1/20/2011	MM	Review additional information regarding Minnesota audit for 2004-2006.	2.30	275	\$632.50
1/21/2011	MM	Letter to NYS regarding changes in corporate structure of Neuberger Berman LLC during 2003-2010.	2.10	275	\$577.50
1/21/2011	MM	Obtain and review gross receipts information developed by Jean Casey of D&T for California audit of 2005-2007.	2.80	275	\$770.00
1/21/2011	MM	Determine impact of utilizing new gross receipts data on California tax for 2005-2007.	4.10	275	\$1,127.50
1/22/2011	MM	Analysis of payments made by LBHI to NYC and reconcile to NYC records.	2.70	275	\$742.50
1/22/2011	MM	Research responsibility for withholding Va taxes.	2.40	275	\$660.00
1/22/2011	MM	Determine impact of reporting updated federal changes for 2001-2007 to Calif.	3.60	275	\$990.00
1/24/2011	MM	Determine whether federal changes for 1992-1995 were reported to NYC.	3.95	275	\$1,086.25
1/24/2011	MM	Review additional information regarding Minnesota audit for 2004-2006.	3.20	275	\$880.00
1/24/2011	MM	Review NJ sales tax filing by LBHI to the NJ Economic Development Agency.	2.10	275	\$577.50
1/25/2011	MM	Discuss with client Virginia withholding requirements for PAMI for 2010.	2.40	275	\$660.00
1/25/2011	MM	Review information regarding NYS sales tax audit of Neuberger Berman LLC 2006-2010.	2.70	275	\$742.50
1/25/2011	MM	Reconcile LBHI's payment to NYC during 2002-2010.	2.80	275	\$770.00
1/26/2011	MM	Review complete file of information in order to arrive at a counter proposal to NYS for 1992-2007.	3.70	275	\$1,017.50
1/26/2011	MM	Obtain and review gross receipts attributable to California for the 2005-2007 audit period.	3.20	275	\$880.00

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
1/26/2011	MM	Discussion with client regarding Lehman ALI Pa assessment for 2004.	1.80	275	\$495.00
1/27/2011	MM	Analyze various scenarios in order to develop a counter proposal to NYS for 1992-1999.	4.20	275	\$1,155.00
1/27/2011	MM	Analyze various scenarios in order to develop a counter proposal to NYS for 2000-2007.	3.70	275	\$1,017.50
1/28/2011	MM	Discussion with client, attorneys, etc. regarding updated NYS proposal.	2.10	275	\$577.50
1/28/2011	MM	Review and discuss PowerPoint developed by Sutherland relating to NYS settlement issues.	2.70	275	\$742.50
1/28/2011	MM	Research requirements for withholding Virginia taxes for PAMI.	2.40	275	\$660.00
1/28/2011	MM	Determine validity of NYC overpayment of prior year income taxes for LBHI.	1.90	275	\$522.50
1/31/2011	MM	Obtain and review additional documentation regarding Mass. audit of LBHI.	3.30	275	\$907.50
1/31/2011	MM	Research NOL issue for NYC UBT purposes.	2.40	275	\$660.00
1/31/2011	MM	Review of information, discussions in connection with NYS payroll audit of Neuberger Berman LLC.	2.70	275	\$742.50
				Total Amount	\$53,308.75
<u>Reimbursable Expenses</u>					
1/2/2011	Parking: 101 Hudson Street, Jersey City, NJ				\$298.00
1/11/2011	Lunch with New York auditors				\$248.12
1/25/2011	Lunch with California auditors				\$216.00
				Total Expenses	\$762.12
				Amount Due This Invoice	\$54,070.87